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C O N F I D E N T I A L SECTION 01 OF 02 LILONGWE 000881

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TAGS: [ECON](#) [KCOR](#) [EINV](#) [PGOV](#) [MI](#)  
SUBJECT: MALAWI ANTI-CORRUPTION CHIEF REPLACED

REF: LILONGWE 839

Classified By: Econoff William Taliaferro for reasons 1.5 b and d

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SUMMARY  
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1. (U) President Bingu wa Mutharika has unexpectedly replaced the director of Malawi's Anti Corruption Bureau (ACB). This move comes as a commission report on corruption at the state agricultural monopoly was released and a key witness in that and another high-profile scandal has disappeared. Mutharika continues to highlight anti-corruption efforts as a centerpiece of his administration, and he appears to be beefing up the ACB to deliver convictions on politically sensitive cases. End summary.

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Invitation to a Firing  
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2. (C) According to a well-placed source in the ACB, President Mutharika summoned Justice H. M. Mtegha, director of the ACB, to a meeting Friday, September 3. There he offered him the position of deputy at the Malawian mission to the UN. Mtegha declined the job, citing his wife's poor health. Mutharika then offered him the post of high commissioner in Tanzania, which he also declined. Perhaps beginning to understand the purpose of the meeting, Mtegha then expressed a desire to go back to the Malawian high court. While Mtegha was still in the room, Mutharika then asked an aide to contact Gustave Kaliwo about Mtegha's job at ACB.

3. (C) Mutharika offered no reason for replacing Mtegha, but more than one source, including one at the ACB, has told us Mtegha backed off from at least one politically sensitive case at the behest of then-President Bakili Muluzi. The ACB source indicated that this was the most likely reason for Mtegha's sacking. Generally, though, the ACB under Mtegha's leadership had a reputation as the most aggressive player--or at least not the bottleneck--in fighting corruption.

4. (U) Kaliwo, Mtegha's replacement, is coming to the job from private practice, where he has prosecuted several cases on behalf of ACB, and from a previous career as the first lawyer appointed to Malawi's police force. He appears to fit the mold of other Mutharika appointments in being technocratic: technically competent and without compelling political connections. The appointment may increase the independence of the already relatively independent ACB.

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Divining Intentions: It's All in the Timing  
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5. (U) The timing of the change is interesting in itself. The ACB is preparing several already public cases involving former ministers of the Muluzi regime (see reftel). A week ago, the government released its official report on the 2002 "maize scam," in which former finance minister Friday Jumbe is accused of selling subsidized maize at a profit during a famine, with the knowledge of Muluzi. Peter Mulamba, a key witness in that and another high-profile case, has recently gone missing and is feared to be dead. The chairman of the commission investigating the scandal has reportedly received death threats and has had one person arrested for threatening him in person. The Mulamba disappearance has distracted Parliament's budget session as members have demanded an official investigation.

6. (U) Meanwhile, Mutharika is continuing to build popular support for his government on two issues: fiscal responsibility and control of corruption. In his budget speech on August 30, Mutharika promised "action, action, and more action" in fighting corruption. His newly appointed director of public prosecutions, Ishmael Wadi, has been grabbing headlines by naming the targets of investigations and pending prosecutions. Several senior UDF officials have

been arrested for corruption and other crimes. In essence, Mutharika appears to be building momentum--and pressure--for his government to convict senior officials of the Muluzi administration.

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Comment: Does It All Add Up?  
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17. (C) To all appearances, replacing the ACB director is another step in building an independent, technically competent team to prosecute politically sensitive corruption cases. The ACB has told us privately that it intends to go after the former chief of state. But Mutharika owes his presidency to Muluzi, and it is Muluzi who cobbled together Mutharika's governing coalition. Added to which, Muluzi seems strangely untroubled about the threats being made against him and his cronies (though the same cannot be said for the cronies, who are protesting vigorously in the press). Most international observers, and many Malawians, are remaining cautious for the time being; they are unlikely to celebrate the beginning of the end of corruption before the Mutharika administration delivers its first important conviction.

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